

Ready Set Grow

Season Three Webinar Four

Session Summary

The Full Monty: Using the Internet as your Primary Business Development Tool

September 21, 2010

Presented by:



Technology Marketing
Resource Centre



Canadian Innovation Centre

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Introduction

The Ready Set Grow series presents webinars featuring subject matter experts and Canadian tech execs discussing topics of interest to the executives of young Canadian technology companies.

On September 21, 2010, Ready Set Grow looked at how Internet-based elements, such as websites, search engine optimization (SEO) pay-per-click marketing (PPC) and social media marketing (SMM), could cost-effectively allow young or small tech companies compete with larger, more mature organizations. The session featured a presentation by Axel Kuhn of Gossamar.com, and a panel discussion featuring Axel Kuhn and Andrew Maxwell of the Canadian Innovation Centre, moderated by John Foreman of the Technology Marketing Resource Centre.

This document captures the content of this session.

Speakers

Axel Kuhn,
President & co-founder, [Gossamar Inc.](#)

Gossamar specializes in optimizing the web presence of small and mid-sized B2B companies to deliver “More Sales Prospects of Higher Quality at Lower Cost” by taking advantage of the industry shifts to Inbound Marketing and Marketing Automation. Gossamar’s solution includes Search Engine Optimization and Marketing (SEO/SEM), Social Media Marketing (SMM) and Monitoring, and integrated Sales and Marketing Automation (SAMA) to automatically generate and manage sales prospects online.

Axel has over 30 years experience in senior B2B sales & marketing positions, building Fortune 500 and mid-sized companies in Canada, the US, Europe, the Middle East, and Asia. He has founded and led one of North America’s top B2B marketing agencies, as well as an industry-leading software firm in the health-care sector. He holds an Engineering Degree from the University of Toronto (Gold Medalist), an MBA from Queen’s University and an IMBA from Cornell (with distinction).

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Andrew Maxwell,

Director, Business Partnerships, Canadian Innovation Centre

Andrew Maxwell's experience includes the founding of two environmental technology companies, the creation of a wireless, medical device and web company and a technology incubator that helped create 30 technology businesses. He is currently with the Canadian Innovation Centre and pursuing a Ph.D. in the area of new venture creation at the University of Waterloo. He teaches at UTM and Waterloo in the area of technology entrepreneurship.

Moderator

John Foreman,

President, Technology Marketing Resource Centre

John Foreman is the founder and President of the Technology Marketing Resource Centre, a firm which helps technology companies accelerate their growth. He has over 20 years experience in the telecommunications and information technology industries. John has been involved in the marketing of technology in Canada and internationally since 1994. John is also on the Board of Directors for the Canadian Advanced Technology Alliance (CATA) and the Advisory Board of the Canadian Innovation Centre.

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The Full Monty: Using the Internet as your Primary Business Development Tool

A Fundamental Shift in Buyer Behaviour

The evolution of the internet has triggered a fundamental change in the way that business customers initiate a purchase activity. Specifically, over 90% of B2B buyers now start their buying cycle by researching solutions and suppliers on the internet. That shift in buyer behaviour has created a tremendous threat to traditional businesses, and a huge opportunity for newer, smaller organizations.

That initial online research activity could involve a Google web-search, consulting an industry hub or participating in some social media forum. The point is, if your company is not present in one or more of those places, the buyers don't know that you exist and you are probably excluded from the rest of their buying activity.

"Over 90% of B2B buyers are starting their buying cycle online. This is a fundamental "game changing" shift in buyer behavior and it demands a corresponding shift in our marketing approach."

Axel Kuhn,
Gossamar Inc.

Aside from the necessity of being visible to buyers, the Internet offers the promise of being the "great leveler". It allows smaller and less-known companies to compete effectively with larger and more mature ones.

Far from being an optional activity, an internet business development strategy is now a necessity even for B2B companies.

The Online Sales Funnel

Many B2B companies have been slow to develop an internet marketing strategy, mistakenly thinking of it as a B2C domain. As well, many companies have trouble coming to grips with the concept of an online customer relationship. They are used to initiating and developing customer relationships through personal contact (trade shows, sales calls, etc.) and the idea of successfully sourcing and developing customers from cyber-space is foreign to them.

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Internet-based business development involves a sales funnel, as traditional marketing does, but with a twist – the sourcing and developing of potential customers is done using the Internet and Internet-based tools.

There are 5 stages to the online sales funnel (Figure 1): Attract, Engage, Convert, Nurture and "Sales Ready". The objective of the online sales funnel is to find prospects and move them through the sales funnel to the point of being "sales ready".

In any group of potential prospects, at any point in time, only a small percentage of them will actually be ready to make a purchase. Some studies put this figure at about 10%. Of course, we want to identify those prospects quickly and engage in the sales process with them. Of the other 90%, some will be ready to buy in future, and perhaps some never will. However, for the ones who will buy in future, it is critically important for us to nurture a relationship with them to ensure that we are considered when the time comes.

Figure 1: The Online sales Funnel



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Attracting Prospects Online

The first stage in the online sales funnel is attracting potential customers and ultimately that means getting them to visit your website. If you can't establish an initial contact, then none of the rest of your activities will matter.

For most companies, the most cost-effective and successful way to attract visitors to your site is through organic searches, and the way to improve your websites performance on organic searches is through Search Engine Optimization (SEO). This involves designing the structure and content of your website so that it will score high on searches involving the keywords that are most relevant **for your prospects**. SEO is best done when a site is first being developed, but all sites will need ongoing tuning of their SEO performance.

An alternative to SEO is the use of Pay-per-Click (PPC) advertising, such as Google AdWords, where you pay to have your message and link displayed when certain keywords are included in a search. SEO is usually more cost effective than PPC, although certain niche situations can exist where PPC can be very effective.

Figure 2: Attracting Prospects Online



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Social media are increasingly becoming important to B2B marketing. In fact, B2B firms are now making more use of social media for marketing than are B2C firms. In particular, Linked-In is proving itself as an effective way to attract prospects. A word of warning: undisciplined use of social media can be a negative (more on this later).

In any case, it is important to attract the right prospects – those who have a reasonable potential to become a customer. It is definitely a case of quality over quantity. In fact, attracting a large number of poor quality prospects can reduce your chances of finding the good ones.

This means that effective analysis of your market is a prerequisite in order to design your “attract” strategy effectively.

Engaging and Converting your Prospects

The next step in the online sales funnel is engagement. Having somehow attracted a prospect, you need to engage with them, with the objective of triggering them to establish a relationship with you (“converting”). In particular, you want them to visit your website repeatedly as they move closer to being “sales ready”.

The key to engaging prospects is providing them with thought-leadership “content” that has value to them. Content can come in many forms - whitepapers, videos, ebooks, blog postings, tweets. Your content should serve the threefold purpose of providing value to your prospect (first and foremost), while enhancing your (or your company’s) reputation and conveying the value of your product or service.

You also need to have content that applies over the entire sales cycle – from first contact through to loyal customer. You need to have content that gives them a reason to visit repeatedly over time.

“Converting” a prospect involves collecting information from them through web forms – in effect, receiving their online business card – and essentially converting them from an anonymous website visitor to a real prospect of whom you can build an ever-richer profile. Best practice involves collecting information gradually over a number of contacts, no more than 3 questions at a time. People become concerned and annoyed when asked to provide a

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lot of information at one time, and it is important that you become a “trusted source” for them.

The Golden Rules of Content

Create Value: Provide practical information that will help your target prospects address real issues.

Be Objective: An overly biased or “salesy” approach damages credibility.

Be Accessible: Package your content in forms that are easily absorbed; short whitepapers, short videos, blog postings, tweets, etc.. Use a variety of formats to maximize exposure.

Follow the Sales Cycle: A prospect’s interests change over the sales lifecycle – provide some content that is relevant at each stage of their journey.

Provide a Call to Action: Design your content so that the prospect will want to contact you.

The processes of managing content and customer can be formidable. A focused strategy, supported by automation, makes this more manageable (more on this later).

Ready, Set, Sell

When a prospect becomes “sales ready” it is time to initiate a more personal and focused contact, usually through your company’s sales team (although for some types of companies, this can be an automated process as well).

Because of the information you have been collecting on the prospect through the online sales funnel, your sales team is well equipped. This information can also be passed on to your Customer Relationship Management (CRM) system. As well, the prospect is more likely to be receptive to a contact because of their history of interactions with you via your website.

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Even once a prospect is "sales ready", the sales cycle may still run for a long time. Regular contacts (e.g. "drip email"), supported by additional valuable content, keep the relationship dynamic and relevant until it is "time to buy".

Benefits

An effective Internet business development strategy provides a number of important benefits.

Overall, it provides lower cost, higher quality sales leads than traditional marketing approaches. It can also produce greater quantities of leads, and in particular, allows companies to tap into markets that they otherwise could not reach, and prospects that are otherwise unknown.

As well, Internet-based marketing provides information that can be analyzed to obtain priceless market insight that can improve both your marketing strategy and your product evolution.

The abundance of data produced by Internet marketing also makes it easier to calculate the ROI of your marketing approaches. It has long been said that half of all marketing expenses are wasted – but you never know which half. Analysis of the ROI of your marketing thrusts allows you to quickly tune your marketing strategy to weed out the less effective approaches and focus on the winners.

Marketing Tool ROI

(Sample data based on analysis of a company's actual marketing program)

Social Media: 28% ROI ✓

PPC / Paid Advertising: 18% ROI ✗

Search Engine Optimization: 46% ROI ✓

Traditional Marketing: -25% ROI ✗

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The Ingredients

The Ingredients of your Internet business development program include:

- **Marketing Strategy** – clear identification of your target market and competitive positioning and how you plan to use Internet marketing to reach and convert your potential customers. The internet is a noisy environment, and you need to have a clear, highly focused message to break through.
- **Holistic Website** – designed for search engine optimization, integration of content and interaction with your automated toolset
- **Content Strategy** – identification of the family of content you plan to use and the plan to create it
- **Automation Toolset** – the software tools to support your strategy, including:
 - **Demand Generation Software**– the core. Enables you to plan and manage lead generation and management campaigns, including such elements as email marketing, social media, SEO, landing pages, lead scoring, etc.
 - **Content Management Systems** – allows you to manage the content of your website without the need for a web designer
 - **Customer Relationship Management (CRM) Software** – provides tools to manage the customer relationships lifecycle, including marketing & sales, service, technical support, etc.
 - **Social Media Marketing Software** – Allows you to pinpoint where on the internet conversations are happening about your industry and your company, so that you can engage cost-effectively.
 - **Analytics Software** – tools that will provide you with data on the behavior of visitors and prospects to your website that will allow you to continuously tune and improve your website's performance.

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Figure 4: Key Ingredient – A Holistic Website



Getting it Right

Internet based business development has been around for a number of years, but it is actually still in an evolving state. Which is to say, there is no one proven way to create and execute an Internet business development strategy. In fact, the rise of social media as a B2B marketing tool has caused a lot of rethinking of the common wisdom and opened up whole new approaches.

However, there are some key success factors that are likely to be part of most successful Internet business development approaches. Here are some best practice tips:

- **Create a Strategy** – the most common problem is the failure to put a strategy in place before rushing into Internet marketing. The result is often an investment of energy and capital expended with poor results.
- **Ask for Help** – would you try to build a spaceship without a few rocket scientists? Trying to design and implement an Internet business development strategy without the assistance of those who have been there before is like to guarantee poor results.
- **Develop In-house Marketing 2.0 Expertise** – external experts are valuable, but ultimately you need to have someone in-house who intimately understands marketing 2.0 and can guide your program from inside the company

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- **Use Marketing and Sales Automation** – you can't boil the ocean and you can't effectively use harness the potential of the internet without tools to automate the process.
- **Keep an Eye on the Competition** – they are trying to attract the same prospects as you are and if their website makes yours look lame and their content blows yours out of the water – you have a problem!
- **Follow Through:** most sales & marketing program failures are because there was no follow-up with the customer.

Final advice: start small - both in terms of your investment and the scope of your Internet business development program.

Analyze, learn and adjust as you go along to create the Internet business development program which will produce the best results for your company.

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Question Period (Answers to questions posed by our audience)

What is the ideal profile for a company to benefit from Internet business development?

The types of companies who would benefit most from the Internet business development approaches described here would be smaller companies trying to address a large and geographically diverse market. They likely already have a website, but have not invested in SEO or content management and sales management tools. They have significant expertise to share (via social networking tools) but have not yet made a big name for themselves.

Companies fitting this profile can make big gains through Internet business development techniques.

How much time, effort and money does it take to implement an Internet business development approach?

It doesn't have to take a lot of capital – it could be between \$5000 and \$20,000 a year, depending on how far and how fast you go. You can start by driving traffic to your site and add automation over time as the volumes build.

And it doesn't have to take a lot of effort – if you stay disciplined and focused.

But it does take commitment. If you don't follow through on your strategy, learning and adjusting as you go, you won't achieve the results you are looking for.

And in the case of social media marketing, once you start, you are committed. If your contributions are sporadic or of inconsistent quality, you will lose any credibility you have gained.

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What are the organizational and cultural challenges of Internet business development?

For companies who are using traditional marketing approaches where there is a lot of live interaction with customers and prospects, the biggest challenge is getting used to the idea of managing your relationship with your customer through the Internet, often largely through automated tools.

But in reality, if your customers have made the shift to using the internet in their buying process, you don't have any choice – you have to be where they are.

If they are coming to your site and your site isn't ready for them, or worse, if they don't come to your site at all, then no amount of traditional marketing activity is going to make up the difference.

How do you nurture prospects and move them down the online sales funnel?

The key is to provide them with value at regular intervals by providing content that has value to them at their particular point in the sales funnel. Even though you may not know them personally yet, you need to have detailed knowledge of the issues that are important to them. This requires research.

It also requires relationship management. For prospects who have not yet left their online business card, you need to have the content that will keep them coming back and trigger them to give you their profile information. For prospects who have already given you their contact information, you need to execute a series of regular contacts, usually involving content, which has value to the prospect.

If you do this well, you maximize the chances that they will become a customer when they are ready to buy.

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What is Pay-Per-Click advertising and how should I use it?

Pay per click (PPC) is the dominant Internet advertising model whereby advertisers pay their host when their ad is clicked. It is most prominently used with search engines (e.g. Google AdWords), where the cost per click will vary based on the popularity of the keyword selected. PPC is also used on many content sites.

PPC can be an effective part of a lead generation strategy. However, it should be used judiciously - PPC is not usually one of the top ROI lead generation strategies, because the cost per click can be high for popular keywords. A properly designed SEO strategy is usually much more cost effective in the long run.

How effective is internet marketing for an individual professional?

The more specialized your service, the more internet marketing can help you reach your market and build your business.

There is a huge opportunity to use SEO to drive the right traffic to your website.

How time consuming is it to manage content?

It can be very time consuming if you don't take a focused and disciplined approach.

It is important to have a variety of quality content available via a variety of media in order to provide value to your prospects through the sales cycle. However, quantity does not guarantee quality, so it is wise to be very focused in your content development.

In the case of social media, activities such as blogging can be very time consuming, but there is a point of diminishing returns, so it takes focus and discipline to realize which activities are adding value and which are just burning up your precious time. Automation tools are needed to help you decide where to best allocate your Social Media time.

The rule of thumb is to know what you are trying to achieve through your content and do just enough to achieve your goals.

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Results of Real-time Polls

Below are the results of the polls conducted during the webinar:

Poll #1: How important is your website to your current Business Development effort? (Choose one)

- | | |
|--|-----|
| <input type="radio"/> Critical | 30% |
| <input type="radio"/> Very important | 35% |
| <input type="radio"/> Somewhat important | 30% |
| <input type="radio"/> Not important | 4% |

Poll #2: Do you believe that your sales prospects are active online? (Choose one)

- | | |
|--------------------------------|-----|
| <input type="radio"/> Yes | 19% |
| <input type="radio"/> No | 54% |
| <input type="radio"/> Somewhat | 36% |
| <input type="radio"/> Not sure | 7% |

Poll #3: What is the state of your current website? (Choose one)

- | | |
|--|-----|
| <input type="radio"/> Don't have a website | 3% |
| <input type="radio"/> Under construction | 16% |
| <input type="radio"/> Exists but needs updating | 48% |
| <input type="radio"/> Exists and is fully up to date | 32% |

Poll #4: How do you use your current website? (Choose all that apply)

- | | |
|---|-----|
| <input type="radio"/> Primarily as an online brochure | 56% |
| <input type="radio"/> To actively monitor traffic and gain market insight | 13% |
| <input type="radio"/> To actively generate leads | 20% |
| <input type="radio"/> As a platform to engage in social media marketing | 16% |
| <input type="radio"/> None of the above | 7% |

Poll #5: Has this webinar change your perspective on the role of your website in business development? (Choose one)

- | | |
|---|-----|
| <input type="radio"/> Yes - we will implement some of what we heard today | 68% |
| <input type="radio"/> Maybe - but we will need to learn more | 26% |
| <input type="radio"/> No - we were already doing all of these things | 5% |
| <input type="radio"/> No - none of this applies to our business | 0% |

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Links of Interest

Business Development
Bank of Canada

www.bdc.ca

Gossamar Inc.

www.gossamar.com

Canadian Innovation Centre

www.innovationcentre.ca

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www.tmrc.ca

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Canadian Association
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www.importers.ca/

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